MEMORANDUM

June 14, 2013

TO:

County Council

FROM:

Robert H. Drummer, Senior Legislative Attorney

SUBJECT:

Public Hearing: Bill 9-13, Collective Bargaining –Impasse – Arbitration Panel

Bill 9-13, Collective Bargaining – Impasse – Arbitration Panel, sponsored by Councilmember Andrews, was introduced on March 19. A Government Operations and Fiscal Policy Committee worksession is tentatively scheduled for June 24 at 2 p.m.

Bill 9-13 would:

- establish an interest arbitration panel to resolve an impasse over a collective bargaining agreement; and
- require an impasse arbitration hearing to be open to the public.

Background

Interest arbitration is a method of resolving disputes over the terms and conditions of a new collective bargaining agreement. Grievance arbitration is a method of resolving disputes over the interpretation or application of an existing collective bargaining contract. County Charter §510 requires the Council to enact a collective bargaining law for police officers that includes interest arbitration. Charter §510A requires the same for fire fighters. Charter §511 authorizes, but does not require, the Council to enact a collective bargaining law for other County employees that may include interest arbitration or other impasse procedures. All of these Charter provisions require any collective bargaining law enacted by the Council to prohibit strikes or work stoppages by County employees. The Council has enacted comprehensive collective bargaining laws with interest arbitration for police (Chapter 33, Article V), fire fighters (Chapter 33, Article X), and other County employees (Chapter 33, Article VII).

All 3 County collective bargaining laws require final offer by package arbitration requiring the arbitrator to select the entire final offer covering all disputed issues submitted by one of the parties. The arbitrator is a private sector labor professional jointly selected by the Executive and the union. There have been 20 impasses resolved by interest arbitration since 1983. Two involved fire fighters, 2 involved general County employees, and the other 16 involved the police. The arbitrator selected the final offer of the International Association of Fire Fighters (IAFF) in both impasses with the fire fighters and selected the County offer in 1 impasse with general County employees represented by the Municipal and County Government Employees Organization (MCGEO) and selected MCGEO's offer in the other. The arbitrator

selected the FOP offer in 12 of the 16 impasses with the police.¹ The arbitrator selected the County offer over the FOP offer 3 times,² and the County agreed to the FOP offer after the arbitration hearing 1 time.

One of the arguments often raised in challenges to interest arbitration laws is the lack of accountability to the public. Legislatures enacting interest arbitration laws have responded to this criticism in a variety of ways. The Oklahoma law authorizes a city council to call a special election and submit the 2 proposals to the voters for a final decision if the arbitrator selects the union's final package. The Oklahoma Supreme Court upheld this unusual provision in FOP Lodge No. 165 v. City of Choctaw, 933 P. 2d 261 (Okla. 1996). Some laws provide for political accountability in the method of choosing the arbitrator. The Colorado Supreme Court upheld an interest arbitration law, in part, because it required the city council to unilaterally select the list of arbitrators in FOP Colorado Lodge No. 19 v. City of Commerce City, 996 P. 2d 133 (Colo. 2000). Finally, many interest arbitration laws provide for accountability by adopting guidelines that the arbitrator must consider, require a written decision with findings of fact, and subject the decision to judicial review for abuse of discretion, fraud, or misconduct. See Anchorage v. Anchorage Dep't of Employees Ass'n, 839 P. 2d 1080 (Alaska 1992).

The Council enacted Expedited Bill 57-10 on December 14, 2010 modifying the criteria used by the arbitrator in resolving collective bargaining impasses with each County employee union. Bill 57-10 required the arbitrator to first evaluate and give the highest priority to the County's ability to pay for the last best offers of the union and the employer. The union prevailed in each of the 3 arbitration hearings held in 2011 after Bill 57-10 was enacted.

All 3 County collective bargaining laws require the appointment of a professional labor arbitrator mutually selected by the Executive and the union. Arbitrator fees are split evenly between the parties. Professional labor arbitrators must avoid the appearance of favoring one side or the other in order to continue to be selected for future business. It is especially important for a professional labor arbitrator to avoid a veto by a national union with affiliates representing public employees throughout the nation. The labor arbitrator is accountable to the parties, but not to the taxpayers.

The County collective bargaining laws require the labor professional jointly selected by the parties to serve as both mediator and arbitrator. This dual role has the advantage and disadvantage of granting the mediator/arbitrator greater authority during the mediation process. A party must seriously consider any statement about a weakness in a party's position made by a mediator who ultimately will resolve an impasse as the arbitrator. However, this dual role lessens the ability of a mediator to get the parties to speak freely during private sessions with the mediator. Traditional mediation promotes the free flow of ideas between the parties, in part, because the mediator has no authority to impose a resolution. A major advantage of the dual role is that the mediator/arbitrator can issue a quicker decision because he or she is already familiar with the issues at impasse. This speed is useful due to the compressed schedule for bargaining, impasse resolution, and budget decisions. However, a mediator with no actual authority to impose a resolution on either party is in a better position to help the parties negotiate a settlement.

¹ A table showing the issues decided in each of the 20 arbitration awards since 1988 is attached.

² The FOP appealed 2 of the 3 decisions in favor of the County to the Circuit Court. The Circuit Court reversed a portion of the arbitrator's award in 2003 and affirmed the arbitrator's award for the County in 2008.

Bill 9-13 would separate the role of mediator and arbitrator. The Bill would also establish an arbitration panel consisting of 3 voting neutral public members, 1 non-voting union representative, and 1 non-voting employer representative. The non-voting members would be selected by the parties to the dispute. The Council would recommend 3 public members and 2 alternate public members. The Executive would appoint, subject to Council confirmation, each of the 5 public members to a three-year term. Each public member must be a County resident knowledgeable in fiscal matters who is currently unaffiliated with federal, state, or local management or labor unions. A majority of the 3 public members on the arbitration panel must vote for a decision resolving an impasse. The arbitration decision would be binding on the Executive and the union. Those provisions in the final agreement that require an appropriation of funds or legislation would continue to be subject to Council approval.

| This packet contains: | <u>Circle #</u> |
|---|-----------------|
| Bill 9-13 | 1 |
| Legislative Request Report | 15 |
| Table of Arbitration Decisions since 1988 | 16 |

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| Bill No. <u>9-13</u> |
|-------------------------------------|
| Concerning: Collective Bargaining - |
| Impasse - Arbitration Panel |
| Revised: March 14, 2013 Draft No. 4 |
| Introduced: March 19, 2013 |
| Expires: September 19, 2014 |
| Enacted: |
| Executive: |
| Effective: |
| Sunset Date: None |
| Ch. Laws of Mont. Co. |

COUNTY COUNCIL FOR MONTGOMERY COUNTY, MARYLAND

By: Councilmember Andrews

AN ACT to:

- (1) establish an interest arbitration panel to resolve an impasse over a collective bargaining agreement;
- (2) require an impasse arbitration hearing to be open to the public; and
- (3) generally amend County collective bargaining laws.

By amending

Montgomery County Code Chapter 33, Personnel and Human Resources Sections 33-81, 33-108, and 33-153

By adding

Montgomery County Code Chapter 33, Personnel and Human Resources Section 33-103A

Boldface
Underlining
Added to existing law by original bill.

[Single boldface brackets]
Double underlining
Added by amendment.

[[Double boldface brackets]]

* * *

Heading or defined term.

Added to existing law by original bill.

Added by amendment.

Deleted from existing law or the bill by amendment.

Existing law unaffected by bill.

The County Council for Montgomery County, Maryland approves the following Act:

Sec. 1. Sections 33-81, 33-108, and 33-153 are amended as follows:

33-81. Impasse procedure.

3 * * *

- (b) (1) During the course of collective bargaining, either party may declare an impasse and request the services of the impasse neutral. If the parties have not reached agreement by January 20, an impasse exists.
 - Whenever an impasse has been reached, the dispute [shall] <u>must</u> be submitted to the impasse neutral. The impasse neutral [shall] <u>must</u> attempt to <u>settle</u> the <u>dispute</u> through mediation [by bringing] with the parties [together voluntarily under such favorable auspices as will tend to effectuate the settlement of the dispute].
 - (3) If the impasse neutral, in the impasse neutral's sole discretion, finds that the parties are at a bona fide impasse, the impasse neutral must certify the impasse for arbitration before an arbitration panel established under Section 33-103A. The arbitration panel must require each party to submit a final offer, which must consist either of a complete draft of a proposed collective bargaining agreement or a complete package proposal, as the [impasse neutral] arbitration panel chooses. If only complete package proposals are required, the [impasse neutral] arbitration panel must require the parties to submit jointly a memorandum of all items previously agreed upon.
 - (4) The [impasse neutral] <u>arbitration panel</u> may, in the [impasse neutral's] <u>arbitration panel's</u> discretion, require the parties to submit evidence or make oral or written argument in support of their proposals. The [impasse neutral may] <u>arbitration panel must</u> hold a hearing open to the public for this purpose at a time, date

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| 29 | | and | place | selected by the [impasse neutral] <u>arbitration</u> <u>panel</u> . |
|------------|-----|-------|---------|---|
| 30 | | [Said | hearii | ng must not be open to the public.] |
| 31 | (5) | On o | r befo | re February 1, the [impasse neutral] arbitration panel |
| 32 | | must | select | t, as a whole, the more reasonable, in the [impasse |
| 33 | | neutr | al's] | arbitration panel's judgment, of the final offers |
| 34 | | subm | itted b | y the parties. |
| 35 | | (A) | The | [impasse neutral] <u>arbitration panel</u> must first evaluate |
| 36 | | | and g | give the highest priority to the ability of the County to |
| 37 | | | pay | for additional short-term and long-term expenditures |
| 38 | | | by co | onsidering: |
| 39 | | | (i) | the limits on the County's ability to raise taxes |
| 40 | | | | under State law and the County Charter; |
| 41 | | | (ii) | the added burden on County taxpayers, if any, |
| 42 | | | | resulting from increases in revenues needed to fund |
| 43 | | | | a final offer; and |
| 44 | | | (iii) | the County's ability to continue to provide the |
| 45 | | | | current standard of all public services. |
| 46 | | (B) | After | evaluating the ability of the County to pay under |
| 1 7 | | | subpa | aragraph (A), the [impasse neutral] arbitration panel |
| 18 | | | may | only consider: |
| 19 | | | (i) | the interest and welfare of County taxpayers and |
| 50 | | | | service recipients; |
| 51 | | | (ii) | past collective bargaining contracts between the |
| 52 | | | | parties, including the bargaining history that led to |
| 53 | | | | each contract; |
| 54 | | | (iii) | a comparison of wages, hours, benefits, and |
| 55 | | | | conditions of employment of similar employees of |

| 56 | | other public employers in the Washington |
|----|-----|---|
| 57 | | Metropolitan Area and in Maryland; |
| 58 | | (iv) a comparison of wages, hours, benefits, and |
| 59 | | conditions of employment of other [Montgomery] |
| 60 | | County employees; and |
| 61 | | (v) wages, benefits, hours and other working conditions |
| 62 | | of similar employees of private employers in |
| 63 | | [Montgomery] the County |
| 64 | (6) | The [impasse neutral] <u>arbitration panel</u> must: |
| 65 | | (A) not compromise or alter the final offer that [he or she |
| 66 | | selects] it selects; |
| 67 | | (B) select an offer based on the contents of that offer; |
| 68 | | (C) not consider or receive any evidence or argument |
| 69 | | concerning the history of collective bargaining in this |
| 70 | | immediate dispute, including offers of settlement not |
| 71 | | contained in the offers submitted to the [impasse neutral] |
| 72 | | arbitration panel; and |
| 73 | | (D) consider all previously agreed on items integrated with the |
| 74 | | specific disputed items to determine the single most |
| 75 | | reasonable offer. |
| 76 | (7) | The offer selected by the [impasse neutral] arbitration panel, |
| 77 | | integrated with the previously agreed upon items, [shall] must be |
| 78 | | [deemed to represent] the final agreement between the employer |
| 79 | | and the certified representative, without the necessity of |
| 80 | | ratification by the parties, and [shall have] has the force and |
| 81 | | effect of a contract voluntarily entered into and ratified [as set |
| 82 | | forth in] under subsection 33-80(g) [above]. The parties [shall] |
| 83 | | <u>must</u> execute [such] <u>the final</u> agreement. 4 f:\law\bills\1309 collective bargaining - interest arbitration-impasse panel\bill 4.doc |

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| 84 | (c) | An | impasse over a reopener matter must be resolved under the | | | | | |
|-----|-----|-------|---|--|--|--|--|--|
| 85 | | proc | edures in this subsection. Any other impasse over a matter subject | | | | | |
| 86 | | to c | to collective bargaining must be resolved under the impasse procedure | | | | | |
| 87 | | in sı | absections (a) and (b). | | | | | |
| 88 | | (1) | If the parties agree in a collective bargaining agreement to | | | | | |
| 89 | | | bargain over an identified issue on or before a specified date, the | | | | | |
| 90 | | | parties must bargain under those terms. Each identified issue | | | | | |
| 91 | | | must be designated as a "reopener matter." | | | | | |
| 92 | | (2) | When the parties initiate collective bargaining under paragraph | | | | | |
| 93 | | | (1), the parties must choose, by agreement or through the | | | | | |
| 94 | | | processes of the American Arbitration Association, an impasse | | | | | |
| 95 | | | neutral who agrees to be available for impasse resolution within | | | | | |
| 96 | | | 30 days. | | | | | |
| 97 | | (3) | If, after bargaining in good faith, the parties are unable to reach | | | | | |
| 98 | | | agreement on a reopener matter by the deadline specified in the | | | | | |
| 99 | | | collective bargaining agreement, either party may declare an | | | | | |
| 100 | | | impasse. | | | | | |
| 101 | | (4) | If an impasse is declared under paragraph (3), the dispute must be | | | | | |
| 102 | | | submitted to the impasse neutral for mediation no later than 10 | | | | | |
| 103 | | | days after impasse is declared. If the impasse neutral certifies | | | | | |
| 104 | | | that an impasse exists after mediation, the dispute must be | | | | | |
| 105 | | | resolved by an arbitration panel established under Section 33- | | | | | |
| 106 | | | <u>103A.</u> | | | | | |
| 107 | | (5) | The [impasse neutral] <u>arbitration panel</u> must resolve the dispute | | | | | |
| 108 | | | under the impasse procedure in subsection (b), except that: | | | | | |
| 109 | | | (A) the dates in that subsection do not apply; | | | | | |
| 110 | | | (B) each party must submit to the [impasse neutral] <u>arbitration</u> | | | | | |
| 111 | | | panel a final offer on only the reopener matter; and | | | | | |

| 112 | | (C) the [impasse neutral] <u>arbitration panel</u> must select the most |
|-----|---------|---|
| 113 | | reasonable of the parties' final offers no later than 10 days |
| 114 | | after the [impasse neutral] arbitration panel receives the |
| 115 | | final offers. |
| 116 | | * * |
| 117 | 33-108. | Bargaining, impasse, and legislative procedures. |
| 118 | | * * * |
| 119 | (d) | Before September 10 of any year in which the employer and the |
| 120 | | certified representative bargain collectively, the Labor Relations |
| 121 | | Administrator must appoint a [mediator/arbitrator] mediator, who may |
| 122 | | be a person recommended by both parties. The [mediator/arbitrator] |
| 123 | | mediator must be available from January 2 to June 30. Fees and |
| 124 | | expenses of the [mediator/arbitrator] mediator must be shared equally |
| 125 | | by the employer and the certified representative. |
| 126 | (e) | (1) During the course of collective bargaining, either party may |
| 127 | | declare an impasse and request the services of the |
| 128 | | [mediator/arbitrator] mediator, or the parties may jointly request |
| 129 | | those services before an impasse is declared. If the parties do not |
| 130 | | reach an agreement by February 1, an impasse exists. Any issue |
| 131 | | regarding the negotiability of any bargaining proposal must be |
| 132 | | referred to the Labor Relations Administrator for an expedited |
| 133 | | determination. |
| 134 | | (2) Any dispute, except a dispute involving the negotiability of a |
| 135 | | bargaining proposal, must be submitted to the |
| 136 | | [mediator/arbitrator] mediator whenever an impasse has been |
| 137 | | reached, or as provided in subsection (e)(1). The |
| 138 | | [mediator/arbitrator] mediator must attempt to resolve the |

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impasse by [engage in] mediation [by bringing the parties

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| 140 | together voluntarily under such favorable circumstances as will |
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| 141 | encourage settlement of the dispute]. |
| 142 (3) | If the [mediator/arbitrator] mediator finds, in the |
| 143 | [mediator/arbitrator's] mediator's sole discretion, that the parties |
| 144 | are at a bona fide impasse, or as of February 1 when an impasse |
| 145 | is automatically reached, whichever occurs earlier, the dispute |
| 146 | must be submitted to binding arbitration before an arbitration |
| 147 | panel established under Section 33-103A. |
| 148 (f) (1) | If binding arbitration is invoked, the [mediator/arbitrator] |
| 149 | arbitration panel must require each party to submit a final offer, |
| 150 | which must consist either of a complete draft of a proposed |
| 151 | collective bargaining agreement or a complete package proposal, |
| 152 | as the [mediator/arbitrator] arbitration panel directs. If only |
| 153 | complete package proposals are required, the |
| 154 | [mediator/arbitrator] arbitration panel must require the parties to |
| 155 | submit jointly a memorandum of all items previously agreed on. |
| 156 (2) | The [mediator/arbitrator] <u>arbitration panel</u> may require the parties |
| 157 | to submit oral or written evidence and arguments in support of |
| 158 | their proposals. The [mediator/arbitrator may] arbitration panel |
| 159 | must hold a hearing open to the public for this purpose at a time, |
| 160 | date, and place selected by the [mediator/arbitrator] arbitration |
| 161 | panel. [This hearing must not be open to the public.] |
| 162 (3) | On or before February 15, the [mediator/arbitrator] arbitration |
| 163 | panel must select, as a whole, the more reasonable of the final |
| 164 | offers submitted by the parties. The [mediator/arbitrator] |
| 165 | arbitration panel must not compromise or alter a final offer. The |
| 166 | [mediator/arbitrator] <u>arbitration</u> <u>panel</u> must not consider or |
| 167 | receive any argument or evidence related to the history of |

| 168 | | collec | ctive bargaining in the immediate dispute, including any |
|-----|-----|---------|--|
| 169 | | previ | ous settlement offer not contained in the final offers |
| 170 | | How | ever, the [mediator/arbitrator] arbitration panel mus |
| 171 | | consi | der all previously agreed-on items, integrated with the |
| 172 | | dispu | ted items, to decide which offer is the most reasonable. |
| 173 | (4) | In r | naking a determination under this subsection, the |
| 174 | | [med | iator/arbitrator] arbitration panel must first evaluate and give |
| 175 | | the h | nighest priority to the ability of the County to pay for |
| 176 | | additi | ional short-term and long-term expenditures by considering: |
| 177 | | (A) | the limits on the County's ability to raise taxes under State |
| 178 | | | law and the County Charter; |
| 179 | | (B) | the added burden on County taxpayers, if any, resulting |
| 180 | | | from increases in revenues needed to fund a final offer; |
| 181 | | | and |
| 182 | | (C) | the County's ability to continue to provide the current |
| 183 | | | standard of all public services. |
| 184 | (5) | After | evaluating the ability of the County to pay under paragraph |
| 185 | | (4), th | ne [mediator/arbitrator] arbitration panel may only consider: |
| 186 | | (A) | the interest and welfare of County taxpayers and service |
| 187 | | | recipients; |
| 188 | | (B) | past collective bargaining agreements between the parties, |
| 89 | | | including the past bargaining history that led to each |
| 90 | | | agreement; |
| 91 | | (C) | a comparison of wages, hours, benefits, and conditions of |
| 92 | | | employment of similar employees of other public |
| .93 | | | employers in the Washington Metropolitan Area and in |
| 94 | | | Maryland; |
| | | | |

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| 195 | | (D) a comparison of wages, hours, benefits, and conditions of |
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| 196 | | employment of other [Montgomery] County employees; |
| 197 | | and |
| 198 | | (E) wages, benefits, hours, and other working conditions of |
| 199 | | similar employees of private employers in [Montgomery] |
| 200 | | the County. |
| 201 | | (6) The offer selected by the [mediator/arbitrator] <u>arbitration panel</u> , |
| 202 | | integrated with all previously agreed on items, is the final |
| 203 | | agreement between the employer and the certified representative, |
| 204 | | need not be ratified by any party, and has the effect of a contract |
| 205 | | ratified by the parties under subsection (c). The parties must |
| 206 | | execute the agreement, and any provision which requires action |
| 207 | | in the County budget must be included in the budget which the |
| 208 | | employer submits to the County Council. |
| 209 | | * * * |
| 210 | 33-153. | Bargaining, impasse, and legislative procedures. |
| 211 | | * * * |
| 212 | (f) | When an impasse is reached, the parties must submit the dispute to the |
| 213 | | impasse neutral. The impasse neutral must attempt to resolve the |
| 214 | | dispute by mediation [by bringing the parties together voluntarily |
| 215 | | under conditions that will tend to bring about a settlement of the |
| 216 | | dispute]. |
| 217 | (g) | If the impasse neutral, in the impasse neutral's sole discretion, finds |
| 218 | | that the parties are at a bona fide impasse, the impasse neutral must |
| 219 | | refer the dispute to an arbitration panel established under Section 33- |
| 220 | | 103A. The arbitration panel must require the parties to jointly submit |
| 221 | | all items previously agreed on, and each party to submit a final offer |
| 222 | | consisting of proposals not agreed upon. Neither party may change |

| 223 | | any proposal after it is submitted to the [impasse neutral] arbitration |
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| 224 | | panel as a final offer, except to withdraw a proposal on which the |
| 225 | | parties have agreed. |
| 226 | (h) | The [impasse neutral] arbitration panel may require the parties to |
| 227 | | submit evidence or present oral or written arguments in support of |
| 228 | | their proposals. The [impasse neutral may] arbitration panel must hold |
| 229 | | a hearing open to the public at a time, date, and place selected by the |
| 230 | | [impasse neutral] <u>arbitration panel</u> . [The hearing must not be open to |
| 231 | | the public.] |
| 232 | (i) | On or before February 1, unless that date is extended by written |
| 233 | | agreement of the parties, the [impasse neutral] arbitration panel must |
| 234 | | select the final offer that, as a whole, the [impasse neutral] arbitration |
| 235 | | panel judges to be the more reasonable. |
| 236 | | (1) In determining which final offer is the more reasonable, the |
| 237 | | [impasse neutral] arbitration panel must first evaluate and give |
| 238 | | the highest priority to the ability of the County to pay for |
| 239 | | additional short-term and long-term expenditures by |
| 240 | | considering: |
| 241 | | (A) the limits on the County's ability to raise taxes under |
| 242 | | State law and the County Charter; |
| 243 | | (B) the added burden on County taxpayers, if any, resulting |
| 244 | | from increases in revenues needed to fund a final offer; |
| 245 | | and |
| 246 | | (C) the County's ability to continue to provide the current |
| 247 | | standard of all public services. |
| 248 | | (2) After evaluating the ability of the County to pay under |
| 249 | | paragraph (1), the [impasse neutral] arbitration panel may only |
| 250 | | consider: |

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| 251 | | (A) | the interest and welfare of County taxpayers and service |
|-----|-----|---------------|---|
| 252 | | | recipients; |
| 253 | | (B) | past collective bargaining agreements between the |
| 254 | | | parties, including the past bargaining history that led to |
| 255 | | | each agreement; |
| 256 | | (C) | wages, hours, benefits and conditions of employment of |
| 257 | | | similar employees of other public employers in the |
| 258 | | | Washington Metropolitan Area and in Maryland; |
| 259 | | (D) | wages, hours, benefits, and conditions of employment of |
| 260 | | | other [Montgomery] County employees; and |
| 261 | | (E) | wages, benefits, hours, and other working conditions of |
| 262 | | | similar employees of private employers in [Montgomery] |
| 263 | | | the County. |
| 264 | (j) | The [impass | se neutral] arbitration panel must base the selection of the |
| 265 | | most reason | able offer on the contents of the offer and the integration |
| 266 | | of any previ | lously agreed-on items with the disputed items. In making |
| 267 | | a decision, | the [impasse neutral] <u>arbitration panel</u> must not consider |
| 268 | | or receive a | ny evidence or argument concerning offers of settlement |
| 269 | | not contain | ed in the offers submitted to the [impasse neutral] |
| 270 | | arbitration p | <u>banel</u> , or any other information concerning the collective |
| 271 | | bargaining l | eading to impasse. The [impasse neutral] <u>arbitration panel</u> |
| 272 | | must neithe | r compromise nor alter the final offer that [he or she] it |
| 273 | | selects. | |
| 274 | (k) | The final o | ffer selected by the [impasse neutral] arbitration panel, |
| 275 | | integrated w | ith any items previously agreed on, is the final agreement |
| 276 | | between the | parties, need not be ratified by any party, and has the |
| 277 | | force and ef | fect of an agreement voluntarily entered into and ratified |
| 278 | | under subse | ction (c). The parties must execute that agreement. |

| 279 | (1) | In each proposed annual operating budget, the County Executive must |
|-----|-----------------|--|
| 280 | | describe any collective bargaining agreement or amendment to an |
| 281 | | agreement that is scheduled to take effect in the next fiscal year and |
| 282 | | estimate the cost of implementing that agreement. The annual |
| 283 | | operating budget must include sufficient funds to pay for the items in |
| 284 | | the parties' final agreement. The employer must expressly identify to |
| 285 | | the Council by April 1, unless extenuating circumstances require a |
| 286 | | later date, all terms and conditions in the agreement that: |
| 287 | | (1) require an appropriation of funds;[, or] |
| 288 | | (2) are inconsistent with any County law or regulation;[, or] |
| 289 | | (3) require the enactment or adoption of any County law or |
| 290 | | regulation;[,] or |
| 291 | | (4) which have or may have a present or future fiscal impact. |
| 292 | | If a later submission is necessary, the employer must specify the |
| 293 | | submission date and the reasons for delay to the Council President by |
| 294 | | April 1. The employer must make a good faith effort to have the |
| 295 | | Council take action to implement all terms and conditions in the |
| 296 | | parties' final agreement. |
| 297 | | * * * |
| 298 | Sec. | 2. Section 33-103A is added as follows: |
| 299 | <u>33-103A.</u> | Arbitration Panel. |
| 300 | <u>(a)</u> | Purpose. An arbitration panel may conduct a hearing and resolve an |
| 301 | | impasse in collective bargaining between a certified employee |
| 302 | | representative and the employer under Sections 33-81, 33-108, and 33- |
| 303 | | <u>153.</u> |
| 304 | <u>(b)</u> | Public members. The Executive must appoint, subject to Council |

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confirmation, 3 neutral public arbitration panel members recommended

by the Council and 2 neutral public alternate members recommended by

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| 307 | | the Council for staggered 3-year terms. The Executive must designate |
|-----|------------|--|
| 308 | | one of the public members to serve as Chair and one as Vice-Chair. |
| 309 | | To implement the staggered terms, the Executive must appoint the Chair |
| 310 | | and the Vice-Chair to a 3-year term, the third public member to a one- |
| 311 | | year term, and the two alternate public members to a 2-year term. After |
| 312 | | these initial appointments, the Executive must appoint each public |
| 313 | | member to a 3-year term, except any public member appointed to fill a |
| 314 | | vacancy. If a vacancy is created by a public member's death, disability, |
| 315 | | resignation, non-performance of duty, or other cause, the Executive |
| 316 | | must appoint, subject to Council confirmation, a public member |
| 317 | | recommended by the Council to complete the member's term. Each |
| 318 | | public member must be: |
| 319 | | (1) <u>a resident of the County;</u> |
| 320 | | (2) knowledgeable in fiscal matters; and |
| 321 | | (3) currently unaffiliated with federal, state or local government |
| 322 | | management or a labor union that represents federal, state or local |
| 323 | | government employees. |
| 324 | | Each public member must file a limited public financial disclosure |
| 325 | | statement under Section 19A-17(a)(6). |
| 326 | <u>(c)</u> | Composition. An arbitration panel contains 3 voting members and 2 |
| 327 | | non-voting members. In addition to the 3 voting public members |
| 328 | | appointed by the Executive, one non-voting member must be selected |
| 329 | | by the certified employee representative involved in the impasse and |
| 330 | | one non-voting member must be selected by the employer. If a public |
| 331 | | member is unavailable to serve on a panel, the Chair of the Panel must |
| 332 | | designate an alternate public member to the panel on a rotating basis. |

| 3 | <u>(d)</u> | Term. An arbitration panel selected under subsection (c) serves until the |
|---|-----------------|---|
| 4 | | Council takes final action on the collective bargaining agreement at |
| 5 | | impasse. |
| 6 | <u>(e)</u> | Compensation. Each arbitration panel member must serve without |
| 7 | | compensation from any source for service rendered as a panel member, |
| 8 | | except that an active employee member may receive administrative |
| 9 | | leave to serve on a panel. The County must reimburse each panel |
|) | | member for any expense required to serve on a panel. A panel member |
| | | must not receive reimbursement for expenses from any other source. |
| 2 | <u>(f)</u> | Procedure. The Chair must preside at any hearing. If the Chair is |
| • | | unavailable for a panel, the Vice-Chair must preside. If both the Chair |
| | | and the Vice-Chair are unavailable, the 3 public members must select a |
| | | Chair. A majority of the 3 public members must vote for a decision |
| | | resolving an impasse. |
| | Approved: | |
| | | |
| | | |
| | • | o, President, County Council Date |
| | Approved: | |
| | | |
| | Isiah Leggett, | County Executive Date |
| | This is a corre | ect copy of Council action. |
| | | |
| | | |
| | Linda M. Lau | er, Clerk of the Council Date |

LEGISLATIVE REQUEST REPORT

Bill 9-13

Collective Bargaining -Impasse - Arbitration Panel

DESCRIPTION:

Bill 9-13 would establish an interest arbitration panel to resolve an impasse, require an impasse arbitration hearing to be open to the public, and generally amend County collective bargaining laws.

PROBLEM:

The current system of permitting the parties to jointly select a private labor arbitrator to serve as both a mediator and arbitrator does not provide sufficient accountability to the County taxpayers.

GOALS AND OBJECTIVES:

To increase the public accountability of the interest arbitration system.

COORDINATION:

Human Resources, County Attorney

FISCAL IMPACT:

To be requested.

ECONOMIC IMPACT:

To be requested.

EVALUATION:

To be requested.

EXPERIENCE ELSEWHERE:

To be researched.

SOURCE OF

Robert H. Drummer, 240-777-7895

INFORMATION:

APPLICATION

WITHIN

MUNICIPALITIES:

Not applicable.

PENALTIES:

None.

Interest Arbitration Decisions Since 1988

| # | Date | Union | Arbitrator | Issues | Award |
|---|-----------|-------|-------------|--|--------|
| 1 | 2/19/1988 | FOP | Fishgold | 1. Indemnification of County for dues | FOP |
| | | | | checkoff. | |
| | | | | 2. 1 day of leave for occupational stress. | |
| | | | | 3. County - narrow non-discrimination | l |
| | Ì | | | clause. | , |
| | | | | 4. FOP - add traffic officers to PPV | |
| | | | | program. | |
| | | | | 5. FOP – reopener for disability | |
| | | | | retirement. | |
| | • | | | 6. Differential pay for specialized | |
| | | | | officers. | |
| | | | | 7. Clothing allowance. | |
| | | | | 8. Shift differential pay. | |
| 2 | 2/25/1001 | EOD | D11- | 9. COLA (5.5% v. 3%) | C |
| 2 | 2/25/1991 | FOP | Bloch | 1. Maintenance of standards provision. | County |
| | | | | 2. Alcohol/drug policy. 3. COLA (6.2% v. 0%) | |
| | | | | 4. Retirement Incentive Program (RIP) | |
| 3 | 2/12/1992 | FOP | Kennelly | 1. FOP – add 1 additional step | FOP |
| | 2,12,1772 | 101 | ixemicity | 2. COLA (me-too up to 2% v. 0%) | 101 |
| 4 | 2/19/1992 | FOP | Bloch | 1. Furlough procedures. | FOP |
| | _ | | | 2. FOP - 4 days of compensatory leave for | |
| | | | | furlough. | |
| | | | | 3. Reduce pay, 32 hours of annual leave | |
| | | | | to be used in 2 years. | |
| 5 | 2/23/1993 | FOP | Porter | 1. COLA (3% v. 1.5%) | FOP |
| | | | | 2. FOP - RIP. | |
| | | | | 3. Increase clothing allowance. | |
| | 2/22/1004 | FOR | 701 1 | 4. Increase pay differential. | EOD |
| 6 | 3/23/1994 | FOP | Bloch | 1. Health insurance policy. | FOP |
| | | | | 2. COLA (2.7% v. 2.5%). | |
| | | | | 3. Disability leave – donations of sick | |
| 7 | 4/25/1994 | FOP | Fasser | leave. 1. Eligibility for RIP enacted by Council. | FOP |
| 8 | 2/14/1995 | FOP | S. Strongin | 1. COLA (2.9% v. 1.5%). | FOP |
| | | | 2. Strongin | 2. Partial SCDR (66 2/3% v. variable). | |
| 9 | 6/12/1998 | FOP | Oldham | 1. FOP – change disability procedures. | FOP |
| | | | | 2. FOP – County option - DROP. | |
| | | | | 3. FOP – increase COLA for retirees. | |
| | | | | 4. FOP – increase multiplier for over 65. | |
| | | | | 5. FOP – increase employee retirement | |
| | | | | contribution. | |

| 10 | 2/26/2001 | FOP | S. Strongin | COLA (\$2800 + \$600 v. \$2500). FOP - shift differential re-opener. | FOP |
|----|------------|-------|-------------|--|---------------------|
| 11 | 2/24/2003 | FOP | Sharnoff | FOP – 1 additional personal leave day. FOP – compressed schedule for special assignment. FOP – increase PPV for canine officers. COLA (3.5% v. 2%). Selection of attorneys for criminal offense. County – single issue arbitration for changes to directives. | County |
| 12 | 3/19/2004 | IAFF | La Rue | IAFF – Increase the multiplier for calculating pension for integrated plan after reaching Social Security age. | IAFF |
| 13 | 3/15/2007 | FOP | Bloch | 1. FOP - Police Hearing Board decision to bind Chief on discipline. | FOP |
| 14 | 11/29/2007 | FOP | Bloch | County agreed to FOP offer. | Settled |
| 15 | 5/8/2008 | FOP | Bloch | Implementation of mobile video system. | County ² |
| 16 | 3/2010 | FOP | Fishgold | FY11 service and longevity increments (3.5% v. 0%). Reinstitute tuition assistance for FY11. | FOP ³ |
| 17 | 3/22/2010 | MCGEO | Vaughn | RIF procedures and limits. RIP savings to reduce RIFs in bargaining unit. | County |
| 18 | 2/01/2011 | IAFF | Vaughn | Health, prescription drug, dental, vision, life, and disability insurance premium splits. Prescription drug and life insurance benefits. Employee retirement contributions. Critical Incident Stress Management Team, Out of class work, Compensatory time | IAFF |
| 19 | 2/18/2011 | FOP | Barrett | Service increment – (3.5% v. 0%) Health, prescription drug, dental, vision, life, and disability insurance premium splits. Prescription drug and life insurance benefits. Employee retirement contributions. Tuition Assistance | FOP |

¹ The FOP appealed decision and Circuit Court held that item 6 was invalid under Police Collective Bargaining Law.
² The FOP appealed the decision and Circuit Court upheld the arbitrator's decision.
³ The Council rejected the arbitrator's award.

| 20 | 3/28/2011 | MCGEO | La Rue | 1. Health, prescription drug, dental, | MCGEO |
|----|-----------|-------|--------|--|-------|
| | | | | vision, life, and disability insurance | |
| | · | | | premium splits. | |
| | | | | 2. Prescription drug and life insurance | |
| | | | | benefits. | |
| | | | | 3. Employee retirement contributions. | |
| | | | | 4. Multi-lingual pay, court time, | |
| | | | | attendance incentive, and classification | |
| | | | | studies | |

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